



BEFORE THE ARIZONA CORPORATION COMMISSION

GARY PIERCE  
Chairman  
BOB STUMP  
Commissioner  
SANDRA D. KENNEDY  
Commissioner  
PAUL NEWMAN  
Commissioner  
BRENDA BURNS  
Commissioner

Arizona Corporation Commission

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IN THE MATTER OF THE APPLICATION  
OF BELL ATLANTIC  
COMMUNICATIONS, INC. TARIFF  
FILING TO INCREASE PLAN B. SERVICE  
(BEST TIME) MONTHLY RECURRING  
CHARGE MAXIMUM RATE FROM \$5.95  
TO \$11.95 AND TO INCREASE THE  
CURRENT PLAN B SERVICE (BEST  
TIMES) MRC RATE FROM \$5.95 TO \$6.95

DOCKET NO. T-03289A-08-0487

DECISION NO. 72674

ORDER

Open Meeting  
November 8 and 9, 2011  
Phoenix, Arizona

BY THE COMMISSION:

FINDINGS OF FACT

1. On September 23, 2008, Bell Atlantic Communications, Inc. d/b/a Verizon Long Distance ("Bell Atlantic") filed a proposed tariff revision to increase the maximum and current Monthly Recurring Charge ("MRC") of the Plan B Service (Best Time) that provides long distance services to residential customers. In this filing, Bell Atlantic proposes to increase the maximum MRC rate from \$5.95 to \$11.95 per account and the current MRC rate from \$5.95 to \$6.95 per account.

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2. On February 9, 2009, Bell Atlantic filed a Replacement Tariff to change its name to Verizon Long Distance LLC ("Verizon LD").<sup>1</sup> In the cover letter, Verizon LD stated that it had converted from a corporation to an LLC. In addition, Verizon LD stated that it had also filed an Application for Registration of a Foreign Limited Liability Company with the Arizona Corporation Commission ("Commission"), the application had been acknowledged and Bell Atlantic Communications, Inc. d/b/a Verizon Long Distance will now be known as Verizon Long Distance LLC.

3. The proposed MRC rate increases contained in this filing are for services that have been classified as competitive by the Commission and are subject to the Commission's Competitive Telecommunications services rules. Under those rules, rates for competitive services are not set according to rate of return regulation standards.

4. On November 17, 2009, Staff issued its First Set of Data Requests to Verizon LD for information responsive to Title 14, Article 11, Section 1110 (Competitive Telecommunications Services) of the Arizona Administrative Code. Staff received Verizon LD's response to Staff's First Set of Data Requests on November 12, 2010. On February 2, 2011, Staff sent its Second Set of Data Requests to Verizon LD. Verizon LD responded to Staff's Second Set of Data Requests on February 14, 2011.

5. In its November 12, 2010, response to Staff Data Request JFB1-17, Verizon LD provided a copy of the customer notification it provided to Plan B Service customers. In addition, Verizon LD provided an Affidavit of Notification dated September 19, 2008, which states that it was to provide notification of the proposed rate increases to all affected customers through a bill message beginning October 1, 2008 through October 31, 2008. Staff reviewed the customer notice and concluded that it is consistent with Commission rules.

6. On July 26, 2011, Staff requested by email that Verizon LD re-notify its customers of the proposed tariff revisions. Staff received a copy of the Affidavit of Notification on September 23, 2011, that Verizon LD's customers were re-notified of the proposed tariff revisions.

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<sup>1</sup> *In the Matter of the Application of Bell Atlantic Communications, Inc. d/b/a Verizon Long Distance for Approval to Change its Name to Verizon Long Distance LLC*, Docket No. T-03289A-09-0054.

7. Based on updated customer count information provided by Verizon LD on September 22, 2011, Staff determined that the proposed increase in the MRC from \$5.95 to \$6.95 would result in an increase in annual revenue of \$48. An increase in the monthly charge to the proposed maximum MRC rate of \$11.95 from \$5.95 would generate an increase in annual revenue of \$288. This \$288 increase in revenue is less than 0.65 percent of Verizon LD's total Arizona revenues for 2010.

8. In its Response to Staff Data Request JFB1-16, Verizon LD stated that it does not have a fair value rate base in Arizona and that its rates are based on the competitive marketplace. Because of the nature of the competitive market and other factors, a fair value analysis is not necessarily representative of a company's operations. Therefore, while Staff considered Verizon LD's fair value rate base information, it did not accord that information substantial weight in its analysis of this matter.

9. Staff has recommended approval of the proposed tariff revision. As a result of tariff revisions that have occurred during the pendency of this matter, Staff further recommended that Verizon LD be required to file, as a compliance item in this matter, amended tariff pages to reflect the current locations of the service in its tariff.

#### CONCLUSIONS OF LAW

1. Verizon LD is an Arizona public service corporation within the meaning of Article XV, Section 2 of the Arizona Constitution.

2. The Commission has jurisdiction over Verizon LD and over the subject matter of the Application.

3. The Commission, having reviewed the tariff pages (copies of which are contained in the Commission's tariff files) and Staff's Memorandum dated October 21, 2011, concludes the tariff filing is reasonable, fair and equitable, and is therefore in the public interest.

#### ORDER

IT IS THEREFORE ORDERED that Bell Atlantic Communications, Inc. d/b/a Verizon Long Distance tariff filing be and hereby is approved as described herein.

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IT IS THEREFORE ORDERED that Bell Atlantic Communications, Inc. d/b/a Verizon Long Distance file, as a compliance item in this matter, amended tariff pages to reflect the current locations of the service in its tariff.

IT IS FURTHER ORDERED that this Decision become effective immediately.

**BY THE ORDER OF THE ARIZONA CORPORATION COMMISSION**

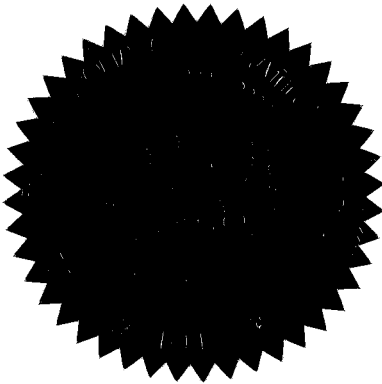
  
CHAIRMAN

  
COMMISSIONER

  
COMMISSIONER

  
COMMISSIONER

  
COMMISSIONER



IN WITNESS WHEREOF, I, ERNEST G. JOHNSON, Executive Director of the Arizona Corporation Commission, have hereunto, set my hand and caused the official seal of this Commission to be affixed at the Capitol, in the City of Phoenix, this 17th day of NOVEMBER, 2011.

  
ERNEST G. JOHNSON  
EXECUTIVE DIRECTOR

DISSENT: \_\_\_\_\_

DISSENT: \_\_\_\_\_

SMO:JFB:lhmm\WVC

1 SERVICE LIST FOR: Bell Atlantic Communications, Inc. d/b/a Verizon Long Distance  
2 DOCKET NO. T-03289A-08-0487

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